FOR IMMEDIATE RELEASE FEBRUARY 10, 2006

CONTACT: MARILYN ELAM 615. 507.6450 (OFFICE) 615.969.2619 (MOBILE)

TENNCARE TO RE-VAMP TRANSPORTATION SERVICES WITH AN AT-RISK COMPETITIVE BID

FRAGMENTED SYSTEM TO BE REPLACED WITH A SINGLE VENDOR BROKERAGE MODEL

NASHVILLE, TENN— TennCare officials announced today that the program will consolidate its non-emergency transportation services to a single vendor system and place the new contractor in a financial risk model. A request for proposal (RFP) is under development and the state expects to open the bidding process as early as May 2006.

"While transportation is less than one percent of TennCare's total budget, now that our larger financial cost burdens are under control, we can focus on addressing smaller inefficiencies that have had less scrutiny in years past," said TennCare Director J.D. Hickey. "TennCare plans to continue transportation services under one centralized process to improve efficiency, quality and help prevent fraud and abuses inherent in the current fragmented system."

Non-emergency transportation services include picking-up TennCare members with no other transportation option to meet their scheduled doctor appointments. Currently, non-emergency transportation is provided by the TennCare Bureau's nine different managed care and behavioral healthcare organizations all with varying transportation delivery systems.

Under the new transportation broker system, the MCOs and BHOs would contract with one company to provide total system oversight including eligibility screening, vehicle inspections, driver certifications, scheduling, a centralized transportation call center, and billing to ensure uniform, quality service delivery. This single vendor system will improve the TennCare program's ability to audit transportation services, eliminate fragmentation and provide easier access to important utilization data. Unlike transportation companies, there is no incentive in the brokerage system to use expensive vehicle options and increase per-trip costs.

"Our research into other state Medicaid programs that choose to offer non-emergency transportation shows greater success with a single vendor or brokerage system," said Winnie Toler, TennCare's Chief Network Officer. "We want to preserve our managed care network's ability to manage this service and with a single vendor for all MCOs and BHOs to contract with, we expect to reduce confusion and improve transportation service delivery statewide."

The TennCare Bureau currently spends about \$50 million (state and federal funds) annually to provide non-emergency transportation, or less than one percent of the program's total budget.

TennCare is Tennessee's \$8 billion expanded Medicaid program serving 1.2 million Tennesseans including 640,000 children.

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